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<input type="checkbox"/>	APPROVAL	<input type="checkbox"/>	DISPATCH	<input type="checkbox"/>	RECOMMENDATION
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<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE

Remarks:

Please make the necessary additional distribution of the attached GAO report and comment to the DDCI re next step, if the recommendations of the report will have an impact on the Agency.

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		DATE
Dep Executive Secretary		3 NOV



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

BPD
Executive Registry

78-6654

OLC # 78-2528/B

B-162222

October 31, 1978

The Honorable Stansfield Turner
Director, Central Intelligence Agency

Dear Admiral Turner:

Enclosed are two copies of our report which finds that an unintended consequence of the export licensing system is to increase uncertainty in export business relationships to the detriment of U.S. exporters.

We believe that the management of export controls should be centralized in the Department of Commerce.

This report includes recommendations to the Congress which affect your agency.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "James B. Atchafalaya".

Comptroller General
of the United States

Enclosures - 2

BY THE COMPTROLLER GENERAL

Report To The Congress OF THE UNITED STATES

Administration Of U.S. Export Licensing Should Be Consolidated To Be More Responsive To Industry

Government administration of export licensing is potentially damaging to the export business because management is spread among many agencies. The resulting lack of accountability and the delay and uncertainty in the decisionmaking process can cause exporters to lose sales even if a license is subsequently approved. To increase accountability, export license management responsibility should be concentrated in the Department of Commerce.

An export control policy which balances national security, foreign, and international trade policies should be developed by a high level multiagency committee. The Department of Commerce should apply this control policy in its review of export applications.



ID-78-60

OCTOBER 31, 1978